

# DEVELOPMENT ANNUAL REPORT

Fiscal Year 2002/2003



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## **A Message From The City of Riverside Development Team:**

In a year that saw challenges across the nation, the city of Riverside stands out with its strong economic growth and ongoing development potential.

The Development Department presents this Annual Report for fiscal year 2002/2003 as a representation of our commitment to strategically managed growth in an area that consistently ranks in Grubb and Ellis' "Top 10 National Markets." In our job as both developers and stewards, we facilitate investment in Riverside that provides excellent investor returns as well as good social and environmental benefits.

This year, job growth, private investment and sales tax revenues continued to surge. Widely published regional economist, Dr. John Husing, recently declared that Riverside leads the Inland Empire in "every measure of economic power." These measures and others are showcased in this report, as well as our goals for the current year.

At the City of Riverside Development Department, we are dedicated to our mission to build environments and seek opportunities for a world class city. Our commitment to changing the landscape is also rooted in respect and responsibility for our heritage and diverse communities. Throughout this report you will see the results of the department's dedication to achieving these goals.

This past year, we mapped numerous new business projects, expansions and relocations ... all pointing to a veritable who's who in development and employers who have decided for competitive reasons to conduct their business here. The success of the University Research Park; the rebuilding of a central retail center at Riverside Plaza; the commitment to a major mixed-use development at the city's downtown heart; upscale urban housing at Mission Village; "Class A" office space for professionals in Marketplace, Hunter Park and Downtown; and a major expansion for the Riverside Airport ... are just a few demonstrations of the sustainable growth path that our great city is on.

While many around the nation have been disparaging the "worst of times," we in Riverside define our future as the "best of times." We encourage you to spend some time reviewing this Annual Report to see why others have chosen to be a part of our dynamic community.

Sincerely,

Michael J. Beck  
Deputy City Manager

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Photos compliments of:  
Photographer Del Bain and City Staff

# Riverside: An “Economic Power”

Local economist, Dr. John Husing, proclaimed that “Riverside leads the Inland Empire in every measure of economic power: population, income, employment, bank deposits, assessed valuation, retail sales, office space and college enrollments.” But we aren’t the only ones tooting our horn. Here is a sampling of kudos from national sources:

- **CEO Magazine** recognized Riverside as the third best city for business in California
- **Site Selection Magazine** ranked Riverside’s Economic Development program as one of the top 20 in the United States
- **Time Magazine** cited Riverside as the 11th best metro area for recreation in the nation
- **Forbes Magazine** ranked the Riverside Metro area as the 34th best place for business in America
- **Grubb and Ellis** ranked the Riverside metro area as one of the top five in all four national markets in their 2003 Global Forecast: U.S. Market Strength Forecast 2002-2007:
  - Office Market (Riverside MSA ranked 3rd)
  - Industrial Market (Riverside MSA ranked 2nd)
  - Retail Market (Riverside MSA ranked 2nd)
  - Apartment Market (Riverside MSA ranked 4th)

## City Fast Facts

Riverside is the sixth largest city in Southern California and the eleventh in the State. The City of Riverside leads and ranks number one in the Inland Empire in virtually every measure of economic power:

■ Population <sup>(1)</sup>	274,071
■ Square Miles	85.6
■ Retail Sales (billions) <sup>(1)</sup>	\$ 3.7
■ Financial Deposits (billions) <sup>(1)</sup>	\$ 2.9
■ Assessed Valuation (billions) <sup>(1)</sup>	\$ 11.2
■ Total Personal Income (billions) 2002 <sup>(1)</sup>	\$ 5.29
■ College Students Fall 2002 <sup>(1)</sup>	40,135
■ Jobs <sup>(1)</sup>	140,302
■ Total Property Tax (millions) 2003 <sup>(2)</sup>	\$ 33.4

## Other Important Facts

■ Percentage Increase Property Tax 2002-2003 <sup>(3)</sup>	12.5%
■ Project Area Tax Increment (millions) 2003 <sup>(3)</sup>	\$ 16.20
■ Median New Home Price 2003 <sup>(4)</sup>	\$ 337,613
■ Percentage Median New Home Increase 2002-2003 <sup>(4)</sup>	25.5%
■ Total Building Permits (residential) FY 2002-2003 <sup>(5)</sup>	2,424
■ Building Permit Valuation (millions) FY 2002-2003 <sup>(5)</sup>	\$ 451.34
■ Average Household Income <sup>(4)</sup>	\$ 59,427
■ Average Age <sup>(4)</sup>	33
■ Four colleges and universities, including University of California, Riverside	
■ Major transportation corridors include Interstate 215, and Highways 60 and 91	
■ Municipally owned airport with FAA Tower, 16 miles from Ontario International Airport and adjacent to March Inland Cargo Port	
■ Municipally owned water and electric utility	

(1) John Husing, Economics and Politics, Inc., (2) County of Riverside, (3) Excluded Measure “C” Library parcel tax, (4) Claritas, Inc., (5) City of Riverside



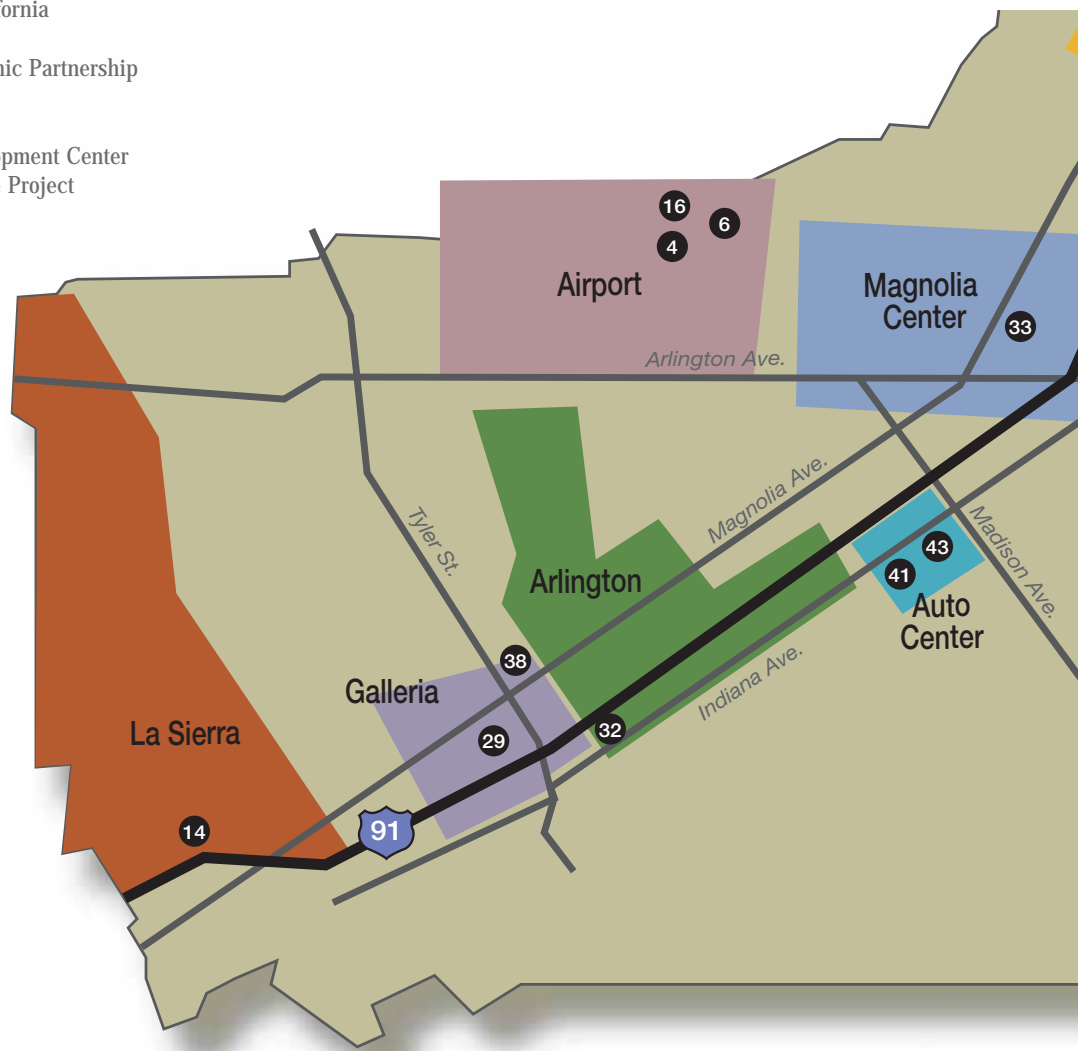
# D evelopment Projects

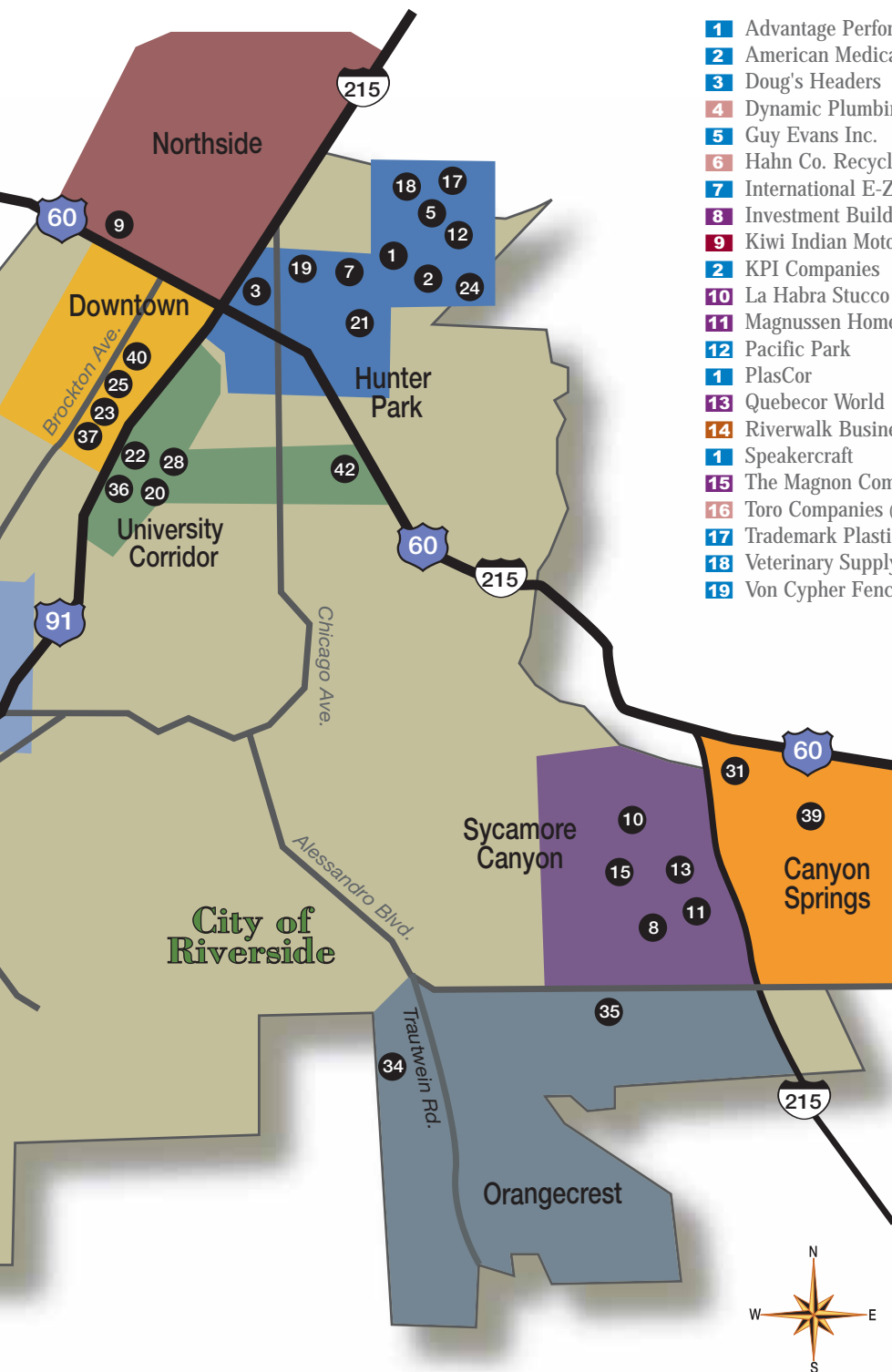
Taking advantage of the Southern California growth phenomenon, Riverside has applied a focused development strategy based on goals for a balanced economy. Our economic development goals focus on the attraction, retention and relocation of desirable employers in three key markets:

■ Office/Commercial    ■ Industrial/Manufacturing    ■ Retail

## Office/Commercial

- 20 AG Edwards
- 21 Apria Healthcare
- 22 Business Bank of California
- 2 Hartford Insurance
- 24 Inland Empire Economic Partnership
- 28 Riverside Gateway
- 20 Sedgewick Insurance
- 24 Small Business Development Center
- 23 University/Main Office Project





## Industrial/Manufacturing

- 1** Advantage Performance
- 2** American Medical Response
- 3** Doug's Headers
- 4** Dynamic Plumbing (expansion)
- 5** Guy Evans Inc.
- 6** Hahn Co. Recycling
- 7** International E-Z Up (retention)
- 8** Investment Building Group
- 9** Kiwi Indian Motorcycles
- 2** KPI Companies
- 10** La Habra Stucco (expansion)
- 11** Magnussen Home Furnishings
- 12** Pacific Park
- 1** PlasCor
- 13** Quebecor World
- 14** Riverwalk Business Center
- 1** Speakercraft
- 15** The Magnon Companies
- 16** Toro Companies (retention)
- 17** Trademark Plastics
- 18** Veterinary Supply Company
- 19** Von Cypher Fencing

## Retail

- 29** Bed, Bath & Beyond
- 31** Canyon Crossings (coming soon)
- 32** Enterprise Car Sales
- 39** Famous Footwear (coming soon)
- 33** Islands Restaurant
- 34** Kohl's Department Store
- 35** LA Fitness (coming soon)
- 43** Metro (expansion)
- 36** Mi Tortilla (coming soon)
- 39** Michael's Arts & Crafts (coming soon)
- 38** Norm's Restaurant
- 39** Pier 1 (coming soon)
- 33** Riverside Plaza
- 33** **35** Sav-on Drugs (coming soon)
- 43** Singh Chevrolet (expansion)
- 41** Skip Fordyce Harley Davidson
- 29** Sport Chalet
- 35** Stein Mart
- 25** Tamale Factory Restaurant (coming soon)
- 39** Target (coming soon)
- 37** Toad in the Hole Restaurant (coming soon)
- 33** Trader Joe's
- 42** University Village
- 40** Villaggio (coming soon)

NOTE: Projects listed above reflect those assisted by the Development Department and does not reflect all development projects in the city.

# **R**ecent Arrivals Share Success Stories

## **Trademark Plastics, Inc.**

Trademark Plastics, Inc. is a leader in injection molding and mold-making for the medical industry. They relocated from Rancho Cucamonga into a new 100,000 square foot state-of-the-art building in the Hunter Highlands Corporate Park.

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*“Moving to Riverside will save Trademark more than a million dollars in utility expenses over the next four years.”*

Jerry Carty, President and  
CEO of Trademark Plastics

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Trademark was looking for a location that could provide low-cost utilities along with a building that would allow them to move in quickly.



Trademark Plastics high-tech facility includes clean rooms and inspection laboratories.

The City's Economic Development Division also assisted Trademark in obtaining \$4.2 million in tax-exempt Industrial Development Bond (IDB) financing. In addition, with Trademark's new facility being located in the Agua Mansa Enterprise Zone, they will benefit from both state and local tax credits.

## **KPI Companies**

KPI Companies, a supplier of reconditioned high-tech medical imaging equipment, consolidated two of its companies, KPI Industries and KPI Ultrasound and moved into an 18,000 square foot building in Riverside's Hunter Park.

KPI Companies currently employs 14



KPI Companies is a global corporation working with businesses in Europe, Asia, Central and South America and India.

people and expects to increase to 20 in the coming year. Positions are highly technical, and require exceptional skills to work on sophisticated medical instruments.

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*“KPI selected Riverside because of its location, price and positive business climate. We have been very impressed by the professionalism and overall assistance from the city, as well as the economic benefits of the Agua Mansa Enterprise Zone.*

*The Magnon Companies provided a high-quality building and have been extremely accommodating in meeting our timeline and facility needs.”*

Bill Ipsen, CEO, KPI

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## Islands Restaurant

In May 2003, the popular southland eatery, Island's Restaurant, opened at the Riverside Plaza as bulldozers were demolishing the rest of the site in preparation for building a new 495,000 square foot lifestyle center. The restaurant has brought over 80 jobs to the community.

Riverside's Mayor Ron Loveridge states,



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***"Since the opening of the Riverside Plaza Islands, the restaurant has consistently exceeded sales expectations by over 20% and is competitively ahead of the Rancho Cucamonga store that opened in the same month."***

Joe Rasic, General Manager,  
Islands Restaurant

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"We hear similar stories of success all the time. Retail in Riverside is extremely successful, no matter where a retailer locates within the city."

For example, Starbucks, located at

University Village near the University of California, Riverside campus, was so successful that it opened an unprecedented second store in the same area.



## Hartford Insurance

In Hunter Park, Riverside welcomed The Hartford, a leading provider of insurance and investment products and services. The company moved a portion of its Brea office and added a new claims office for its Specialty Risk Services subsidiary.

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***"Riverside is convenient to a large, educated labor pool and our customers. Its prices are attractive and its quality of life is excellent. One of the key factors that led to the selection of Riverside was local labor."***

Troy Riccitelli, Leasing Manager,  
Hartford Insurance

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Riccitelli added that 40 existing employees, who already live in Riverside but previously commuted to Brea, will be relocated to the Riverside office and will now enjoy a shorter commute.

The company currently employs 150 people and plans to expand to approximately 240 employees over the next two years.

# I ndustrial/Manufacturing Sector Booms

Riverside is an area that offers available land and lower development costs. Our plentiful, educated and skilled labor force and competitive labor costs have attracted more than 115 industrial employers in the last ten years.

## Airport Industrial Redevelopment Area

Within the Airport Industrial Redevelopment Project Area, the Toro Corporation worked collaboratively with the Economic Development Division and Redevelopment Agency, as well as the Greater Riverside Chambers of Commerce, to keep its 180 high-paying corporate jobs in Riverside, committing more than \$3 million in capital improvements. Also, Dynamic Plumbing expanded, adding 28,000 square feet and 130 jobs to the area.



**Toro:**  
*Toro's Corporate Headquarters still remain in Riverside, due to the city's ideal business environment and economic development efforts*

## Hunter Industrial Park

The Hunter Park area experienced significant development this year. Projects that added 150 new jobs in Hunter Industrial Park included: Guy Evans, Von Cypher Fencing, Veterinary Supply Co., Trademark Plastics, Hahn Co., KPI Companies and PlasCor.



**PlasCor:**  
*A custom blow-molder, relocated from Corona to Riverside in an effort to save electricity costs and to provide a more favorable work schedule for its employees.*

Speculative projects include Columbia Corporate Park, which built four buildings that have been leased or sold to Advantage, Speakercraft and PlasCor.

Columbia Technology Park was announced with two buildings totaling approximately 400,000 square feet, and Pacific Park began construction on six new buildings totaling 800,000 square feet.

## Sycamore Canyon

Sycamore Canyon is becoming very desirable to large development projects. This area added Magnussen Home Furnishings and Quebecor World with over 800,000 square feet developed. In addition, speculative projects were announced, including a 14.25 acre development by Investment Building Group and a 16-acre commitment by The Magnon Companies.



### Magnussen Home Furnishings North Logistics Center:

*Opened in a 400,580 square foot build-to-suit facility, launching a wave of new industrial development in Sycamore Canyon Business Park.*



### Quebecor World:

*Quebecor invested \$75 million in a 196,000 square foot building space bringing an initial 120 jobs and eventually 80 more into the Sycamore Canyon Business Park.*



# **O**ffice and Commercial Projects Meet Demand

Riverside offers access to the thousands of technicians, professionals and executives who are rapidly migrating to our upscale neighborhoods due to huge savings over comparable coastal county homes. There has been a surge of interest for corporate office space, primarily from large professional and service firms and high technology companies. Here are just a few office projects developed or announced in 2002/2003.

## **Ironworks:**

*Sedgewick Insurance and AG Edwards now occupy the renovated Ironworks building in the MarketPlace.*



## **Business Bank of California:**

*Business Bank of California's merger with Union Bank of California this year brought the addition of a new branch in the MarketPlace.*



## **Riverside Gateway:**

*This project includes two 45,000 square foot "Class A" office buildings in the MarketPlace.*



## **American Medical Response:**

*American Medical Response proudly occupies their new headquarters building in Hunter Park.*



## **The Hartford:**

*The Hartford, one of the nation's largest insurance and financial services companies, moved into Hunter Park, bringing 150 new jobs.*

*(See Hartford story page 6)*



## **Inland Empire Economic Partnership (IEEP) and Small Business Development Center (SBDC):**

*IEEP and SBDC moved into a consolidated facility in the University Research Park to better serve business and Inland Empire communities.*

# Major Retailers Find Riverside

Riverside's size and central location have combined to make it the Inland Empire's taxable retail sales leader. In 2002, the city's sales reached an all-time high at \$3.7 billion. This marked the fifth consecutive annual record. In retail clusters around the city, exciting changes are happening.

The **Galleria** area added new stores including Bed, Bath and Beyond and Sports Chalet.



The **Riverside Plaza** began its long awaited renovation by demolishing most of the buildings. As part of this process, Trader Joe's moved into a larger out-parcel building with increased parking. While the Island's Restaurant chain found a home along Central Avenue and created a store that is exceeding sales expectations by 20% since it opened.



(See Islands story page 6)

In the **Downtown Project Area**, the development team is in the process of acquiring land for the Villaggio, which will be the site of a major mixed-use project that will further enhance the housing, retail, and entertainment amenities at the region's financial and legal center.

In the **MarketPlace**, Mí Tortilla will join the variety of restaurant offerings in an area rich in culture and historic landmarks.



In **Canyon Springs**, at the eastern border of the city, Best Buy opened a second store, and Target opened a third store in the



city. Pier 1 and Michaels are each also in the process of adding a second store.



**Coming Fall 2003**  
*A number of new national  
 retailers who will generate over  
 \$100 million in annual sales*



## Team Committed To Success

### Economic Development 2002/2003

A team made up of Economic Development, Redevelopment and Administration professionals worked alongside other city departments, the Greater Riverside Chambers of Commerce, businesses and citizens to achieve extraordinary results in the attraction, retention and relocation of business in Riverside.

Since the inception of the Economic Development Division, the division has consistently brought or retained over 1,200 jobs per year to the city. In fiscal year 2002/2003 this number has continued to climb, reaching over 1,600 jobs. We partnered with the City's Public Utilities Department on an economic development contract rate for heavy and high-tech users, which generated \$2,557,954 in annual revenue to the utility and \$230,216 to the City's General Fund. Our year-end results below reflect the outstanding growth generated by the Development Department.

Key Measures of Success 2002/2003*		
	Goal	Actual
Jobs created/attracted/retained	1,600	1,688
Jobs created in project areas	600	1226
Dollar increase in taxable sales (in millions)	\$80	\$126
Total private investment generated (in millions)	\$100	\$117
Businesses retained/expanded/attracted	18	31
Increase in property tax valuation within project areas	4%	8.9%

\*Numbers reflect results of economic development efforts, not total city growth.

### Redevelopment

The Redevelopment Agency hired a Downtown Project Manager and Project Coordinator, which allowed existing Project Managers to focus more closely on developing each particular redevelopment area based on specialized needs.

This year included the establishment of a new redevelopment project area and the expansion of another existing area, which resulted in 18% of the city's land being designated within project areas. The total 8,741 acres included more than 2,600 acres located within the newly formed Hunter Park/Northside Project Area and over 200 acres were added to the Arlington Project Area. The Redevelopment Agency also worked on a number of other projects including:

- Completing financing and construction of a 910-space parking garage at University Village
- Completing initial property acquisition for the Villaggio project in Downtown
- Facilitating development at MarketPlace for restaurant and office development
- Completing lease and construction financing agreements for Toad in the Hole restaurant at California Tower
- Completing Madison Streetscape Phase Two

# **D**ivisions Work On Quality Of Life

## **Housing and Community Development**

The Housing and Community Development Division had a very busy year, engaging in a number of important preservation-oriented and affordable housing projects for residents of the city.

By working in collaboration with such partners as the U.S. Department of Housing & Urban Development (HUD), the State of California Housing and

Community Development, Habitat for Humanity, and Riverside Housing Development Corporation, the division provided housing opportunities to residents and administered the Homeless Task Force. The Task Force developed the City's first comprehensive Homeless Action Plan and also created the first Homeless Project Coordinator position for the city.

Housing and Community Development Division's achievements for 2002/2003 included:

- Provided funding and administration to improve 196 housing units
- Awarded a \$300,000 competitive grant from the state for infill housing development
- Secured funding of \$750,000 to rehabilitate 64 affordable, larger family rental units
- Increased homeownership by providing 21 Down Payment Assistance Grants and one CalHome Mortgage Assistance loan
- Implemented actions outlined in the city's community broad-based Homeless Action Plan
- Completed Mission Village housing development adding 46 single-family units to Downtown
- Administered \$3.5 million Community Development Block Grant (CDBG) funding to improve neighborhoods



### **Mission Village:**

*This 46-unit infill development is the first new tract of single-family housing to be built in Downtown Riverside in 50 years, pointing to the growing demand for new housing in downtown. The project was led by the city's Housing and Community Development Division, and built in collaboration with private developer, Regional Properties.*



## Office of Neighborhoods

The Office of Neighborhoods provides neighborhood organizing support and a direct link between neighborhood groups and the services and resources available to them in addressing quality of life issues at the neighborhood level. This year, the Office of Neighborhoods:

- Hosted the citywide Riverside Neighborhood Conference and leadership training event for 370 residents
- Conducted an outreach campaign that resulted in a 30% increase in registered neighborhood groups
- Awarded 12 Neighborhood Matching Grants
- Developed Arlanza Youth and Family Resource Center Plan



## Administration

The Administration Division provides experienced financial and accurate accounting support for the Development Department Divisions, which includes the preparation of complex financial reporting documents required by California Redevelopment Law and HUD Grants, in accordance with legal deadline requirements.

This year, the Administration Division achieved significant savings for the city. Two key areas included:

- Renegotiated the lease with the State of California for the California Tower building in Downtown, returning more than \$2.6 million to the Redevelopment Agency with the refinancing of the bonds used to finance the building
- Refinanced the 1993 bonds for the Downtown/Airport Redevelopment Area, saving \$3 million over a 30-year period and making available \$10.8 million in additional bond monies used for capital projects

# **D**evelopment Department Goals For Current Year

Fiscal Year 2003/2004 has already begun with aggressive plans for every part of the city. Development goals include:

- Facilitate the creation and/or retention of 1,700 new jobs through business attraction, expansion and retention activities
- Promote opportunities and advantages through focused marketing and outreach to target industries
- Secure funding for 75 units of senior housing
- Increase homeownership by providing 25 loans
- Build or rehabilitate 100 homes
- Complete Riverside Plaza disposition and development agreement implementation
- Complete University Village student housing construction
- Complete three funding districts for industrial infrastructure
- Complete a development agreement for new 6-story downtown office building
- Attract two new restaurants to downtown
- Initiate streetscape projects in Arlington, Eastside and Downtown
- Complete La Sierra/Arlanza Project area formation
- Complete property acquisition and development agreement for Villaggio downtown project
- Implement first Neighborhood Leadership Academy
- Facilitate Riverside Tax Assistance Partnership for Working Families
- Complete Eastside Asset-Based Community Mapping project
- Complete Arlanza Family Neighborhood Resource Center
- Complete Riverside Airport new taxiway and secure development agreement for 100 new hangars
- Design Airport beautification project

2003/2004 Department Goals*	
	Goal
Job creation/attraction/retention	1,700
Project areas/job creation	275
Taxable sales increase (in millions)	\$100
Private investment (in millions)	\$150
Business retention/expansion/attraction	20
Property tax valuation increase within project areas	4%

\*Numbers reflect results of economic development efforts, not total city growth.



## Award Recognition

### Department Recognition

Through a creative and aggressive branding and marketing program, the department has generated interest in Riverside and responded to opportunities. In addition, through enterprise development and discounted utility rate negotiations, staff competed and successfully attracted new businesses and jobs within the city. The city is proud of those efforts and the recognition the city has received in national and regional publications and awards.



#### **Site Selection Magazine:**

Top 20 Economic Development Groups in the nation

#### **Addy Awards**

**(American Advertising Federation):**

Four Advertising Awards

#### **California Association for Local Economic Development:**

Two Awards of Merit for  
Economic Development Rate  
Program and Marketing

#### **Business Facilities Magazine:**

Economic Development Achievement Award for  
Excellence for Economic  
Development Rate Promotion

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## Mission Statement

*The mission of the Development Department is to provide a variety of economic development, redevelopment, community development and housing and neighborhood programs so that residents and businesses may enjoy economic prosperity and a safe, attractive community environment.*

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BE A PART OF IT

## Future Projects Coming Soon



*Villaggio in  
Downtown*



*Riverwalk in La Sierra*



*University Research Park  
in Hunter Park*



*Riverside Plaza  
in Magnolia  
Center*



*Canyon Crossings in Canyon Springs*



*Gateway Office Buildings in Marketplace*

**Join the City of Riverside as the center of economic power in the Inland Empire  
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